

## Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 EUR-12 SS-15 SP-02 EB-07 INR-07

NSC-05 CIAE-00 TRSE-00 /058 W

-----160845Z 014784 /20

R 160600Z MAY 77

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 1075

INFO USMISSION EC BRUSSELS

AMEMBASSY OTTAWA

AMEMBASSY ALGIERS

AMEMBASSY BANGKOK

AMEMBASSY BELGRADE

AMEMBASSY BERN

AMEMBASSY BRASILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY CAIRO

AMEMBASSY CANBERRA

AMEMBASSY CARACAS

AMEMBASSY JIDDA

AMEMBASSY KINGSTON

AMEMBASSY KINSHASA

AMEMBASSY KUALA LLUMPUR

AMEMBASSY LAGOS

AMEMBASSY LIMA

AMEMBASSY LUSAKA

AMEMBASSY MADRID

AMEMBASSY MANILA

AMEMBASSY MEXICO CITY

AMEMBASSY SINGAPORE

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

AMEMBASSY YAOUNDE

USUN NY 1354-1355

USMISSION GENEVA

USINT BAGHDAD

USMISSION OECD PARIS

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C O N F I D E N T I A L SECTION 1 OF 2 JAKARTA 06294

OECD PARIS FOR BOSWORTH

E.O. 11652: GDS

TAGS: CIEC, EGEN

SUBJECT: ECONOMIC SUMMIT AND CIEC --  
MEETING WITH MINISTER WIDJOJO

REF : (A) JAKARTA 5374 (NOTAL), (B) STATE 087802

1. SUMMARY. DURING CALL MAY 12 MINISTER OF STATE WIDJOJO EXPRESSED APPRECIATION FOR MEETINGS ARRANGED DURING HIS U.S. VISIT. HE WAS ENCOURAGED BY USG WORK ON CIEC ISSUES, APPLAUDED INCREASED COMMUNICATION AND CONSULTATIONS BETWEEN G-8 AND G-19 AND U.S. EFFORT TO KEEP IN TOUCH WITH COUNTRIES LIKE INDONESIA ON MAIN ISSUES; HE FELT THAT THERE WAS SOME PROGRESS IN CIEC, AND WAS IMPRESSED BY SUMMIT COMMUNIQUE NOTING THAT APPENDIX REFLECTS FORWARD MOVEMENT. SAID HE FELT STRONGLY ABOUT KEEPING UP CONSULTATIONS BEFORE CIEC MINISTERIAL. END SUMMARY.

2. I CALLED ON MINISTER OF STATE WIDJOJO MAY 12 TO OBTAIN HIS REACTIONS TO HIS RECENT VISIT IN THE U.S., THE ECONOMIC SUMMIT, AND THE STATE OF PLAY IN CIEC. THIS WAS MY FIRST MEETING WITH HIM SINCE HIS RETURN TO JAKARTA FROM WASHINGTON.

3. FIRST, WIDJOJO EXPRESSED DEEP APPRECIATION FOR ALL THE ARRANGEMENTS THAT HAD BEEN MADE FOR HIM IN WASHINGTON AND NEW YORK AND FOR THE OPPORTUNITIES OF MEETING SO MANY SENIOR USG OFFICIALS. HE SAID THAT ALTHOUGH THE OFFICIALS HAD BEEN VERY BUSY AT THE TIME (HE MENTIONED PARTICULARLY SECRETARY BLUMENTHAL AND MR. SCHLESINGER) EVERYONE HAD MADE A REAL EFFORT TO SEE HIM; HE WAS MOST GRATEFUL FOR THIS AS WELL AS FOR THE FRANK AND INFORMATIVE CHARACTER OF THE DISCUSSIONS. CONFIDENTIAL

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WIDJOJO AGAIN EXPRESSED HIS APPRECIATION FOR THE FAVORABLE U.S. ACTION ON PL-480 AND FOR THE CONSTRUCTIVE ROLE OF THE U.S. IGGI DELEGATION IN RALLYING SUPPORT TO THE AID LEVELS RECOMMENDED BY THE WORLD BANK. HE WAS IMPRESSED BY THE AMOUNT OF WORK AND THINKING IN WASHINGTON ON CIEC ISSUES, OBSERVED THAT STATE AND TREASURY WERE A "REAL TEAM," AND THAT "THINGS WOULD GET DONE." HE SAID HIS HOPES HAD DEFINITELY INCREASED, AND THAT HE HAD DEDUCED "MANY THINGS" WHICH COULD BE A BASIS FOR A COMMON UNDERSTANDING IN THE DIALOGUE.

4. WIDJOJO WAS EQUALLY IMPRESSED BY THE STEPPED-UP COMMUNICATION BETWEEN THE G-8 AND G-19 AND THE U.S. EFFORT TO KEEP IN TOUCH WITH COUNTRIES LIKE INDONESIA ON THE MAIN ISSUES. HE NOTED WITH OBVIOUS SATISFACTION THAT AMBASSADOR ALATAS HAD RETURNED TO GENEVA AFTER THE MEETING WITH UNDER SECRETARY COOPER IN NEW YORK TO BRIEF MEMBERS OF THE G-77, SUBSEQUENTLY HAD A FURTHER MEETING WITH UNDER SECRETARY COOPER IN LONDON, AND THEN WENT BACK TO REPORT TO THE CO-CHAIRMAN OF THE G-19 (PEREZ-GUERRERO). ALATAS THEN HAD A DISCUSSION

WITH DEPUTY ASSISTANT SECRETARY OF STATE BOSWORTH IN PARIS.  
THIS KIND OF LIAISON, HE SAID, WAS MOST ENCOURAGING. HE  
ADDED THAT AT THE MOMENT THE GOI DELEGATION IN PARIS WAS BUSY  
DETERMINING WHAT THE SUMMIT DECISIONS MEANT FOR CIEC, AND THAT  
HE HAD BRIEFED PRESIDENT SUHARTO ON THE SUMMIT EARLIER IN THE DAY.

5. IN COMMENTED THAT THE SUMMIT DECISIONS REINFORCED OUR  
POSITION THAT CIEC SHOULD EMPHASIZE WHAT HAD BEEN ACCOM-  
PLISHED SO FAR AND WONDERED IF HE FELT THIS WAS A REALIATIC  
OBSERVATION. WIDJOJO REPLIED THAT HE FELT IT WAS POSSIBLE  
TO REACH AGREEMENT ON STATEMENTS OF INTENTION AT CIEC AND  
THAT "SOLUTIONS AND IMPLEMENTATION" OF THESE STATEMENTS  
COULD BE WORKED OUT SUBSEQUENTLY. HE NOTED THAT AMBASSADOR  
ALATAS HAD BEEN IN TOUCH WITH BOSWORTH REGARDING THE TIMING  
FOR WORKING ON A BASIC STATEMENT FOR THE CIEC MINISTERIAL.  
AS FOR THE SUMMIT DECISIONS, HE OBSERVED THAT THE COMMUNIQUE  
ITSELF HAD PLACED MUCH EMPHASIS ON GENERAL ECONOMIC CONDI-  
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TIONS, PARTICULARLY IN THE DEVELOPED COUNTRIES, AND THAT IT  
WAS THE APPENDIX THAT CONTAINED THE IMPORTANT ITEMS FOR THE  
DEVELOPING WORLD. HE BEMOANED THE FACT THAT THE LOCAL  
PRESS HAD CONCENTRATED ON THE COMMUNIQUE AND HAD OVERLOOKED

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C O N F I D E N T I A L SECTION 2 OF 2 JAKARTA 06294

OECD PARIS FOR BOSWORTH

THE IMPORTANT ITEMS IN THE APPENDIX. IF ONE READS THE APPENDIX CAREFULLY, HE SAID, ONE CAN SEE THAT THERE IS FORWARD MOVEMENT.

6 WIDJOJO SAID THAT STATEMENT ON STABILIZATION OF COMMODITY PRICES AND THE COMMON FUND (V UNDER NORTH-SOUTH RELATIONS IN THE APPENDIX) REFLECTED PROGRESS INsofar THAT THE SEVEN LEADERS WERE IN AGREEMENT ON THE CREATION OF A COMMON FUND. HE ADDED THAT THIS SECTION HAD BEEN CAREFULLY DRAFTED AND WOULD PROVIDE BASIS FOR FURTHER NEGOTIATION. HE WAS PLEASED WITH THE SECTION ON TRADE AND THE EMPHASIS AGAINST PROTECTIONISM, ALTHOUGH HE NOTED INCLUSION OF A SENTENCE REGARDING AVOIDANCE OF SIGNIFICANT MARKET DISRUPTION. HE FELT THAT THIS WAS PROBABLY NECESSARY TO PLACATE THE SPECIAL CONCERNS OF SEVERAL DEVELOPED COUNTRIES. I COMMENTED THAT PRESIDENT CARTER HAD TAKEN A STRONG STANCE AGAINST PROTECTIONIST PRESSURES IN THE U.S. AS DEMONSTRATED BY HIS RECENT DECISION AGAINST UNILATERAL RESTRICTIONS ON SHOE IMPORTS.

7. WIDJOJO WAS ENCOURAGED BY FORWARD MOVEMENT IN BALANCE OF PAYMENTS FINANCING BUT FELT THAT REAL PROGRESS ON DEALING

WITHTHE DEBT PROBLEM WAS STILL LACKING. THIS, HE SAID, COULD HAVE SERIOUS REPERCUSSIONS AMONG SOME MEMBERS OF THE G-19 AND G-77 AND COULD COMHPPLICATE PROGRESS ON OTHER ISSUES. HE WAS, HOWEVER, ENCOURAGDD BY THE INCREASED SUPPORT TO THE IFIS AND OBSERVED THAT HE LIKED THE WITTEWEN FUND. AS TO THE PROPOSAL FOR THE SPECIAL ACTION FUND FOR THE POOREST LDCS, THE GOI WOULD HAVE TO GIVE SOME FURTHER THOUGHT AND STUDY TO IT. REGARDING ENERGY HE SAID THAT THE IDEA OF A CONTINUED NORTH-SOUTH FORUM TO DISCUSS ENERGY PROBLEMS "MAY BE A PROBLEM FOR US" AND MST BE DISCUSSED FURTHER. HOWEVER, CONFIDENTIAL

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HE LIKED THE IDEA OF WORLD BANK LOANS FOR ENERGY DEVELOPMENT IN LDCS AND NOTED THAT HE HAD BEEN ESPECIALLY INTERESTED IN HIS DISCUSSIONS WITH MR. SCHLESINGER ON THE USE OF SOLAR ENERGY. INDONESIA WOULD LIKE TO BENEFIT FROM THE RESEARCH BEING CARRIED OUT IN THIS FIELD. THE RESULTS OF THIS RESEARCH MIGHT BE USED FOR INDONESIA'S REFORESTATION PROGRAM AND DEVELOPMENT OF ENERGY SOURCES FROM COAL.

8. FINALLY, WIDJOJO SAID THAT HE FELT RATHER STRONGLY ABOUT KEEPING UP THE MOMENTUM OF CONSULTATIONS AND DISCUSSIONS BEFORE THE CIEC MINISTERIAL AND MAY DECIDE TO GO TO PARIS EARLIER TO BE ON HAND DURING THE SENIOR OFFICIAL MEETINGS PRIOR TO MAY 30. "IT MAY BE BENEFICIAL IF SOME OF US COULD BE THERE SOONER." AS FOR THE INDONESIAN DELEGATION, HE SAID THAT IN ADDITION TO HIMSELF THERE WOULD BE AMBASSADOR ALATAS (GENEVA), SUHADI (MINISTORY OF TRADE), MOOY (BAPPENAS), AMBASSADOR ARIFIN (FOREIGN MINISTRY), ARIFIN SIREGAR (BANK INDONESIA), AND KHARMAWAN (EXECUTIVE DIRECTOR, IMF), AND PROBABLY SOMEONIE FROM THE MINISTRIES OF FINANCE AND MINING. HE WAS NON-COMMITTAL ON WHICH OTEHR CABINET MINISTERS WOULD JOIN HIM IN PARIS.

9. I GAVE WIDJOJO COPY OF SAME NON-PAPER THAT WE HAD EARLIER GIVEN TO FOREIGN MINISTER MALIK AND MINES MINISTER SADLI, AS WELL AS MORE RECENT WIRELESS FILE MATERIAL ON CIEC SUBJECTS AND SUMMIT.  
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## Message Attributes

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